THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

October 27, 1945

World Hails U. S. Navy

AN EDITORIAL

Control China's Foreign Trade?

By John Ahlers

Needed: A Policy

AN EDITORIAL

Shanghai's Market Livens Up

By Fang Fu-an

Kaji, The Japanese Who Fought For His Country—And Yours

By Edward Rohrbough

VOLUME 99 OUTPORT EDITION NUMBER 3

PRICE CNC$~~100~~ 40

AMERICAN ASIATIC UNDERWRITERS

Federal Inc., U.S.A.

17 The Bund — Telephone 11144

Full Lines of Coverage for:

FIRE
MARINE
MOTOR CAR
CASUALTY

Companies represented:

HANOVER FIRE INSURANCE CO., New York, N. Y.
FIREMEN'S INSURANCE COMPANY, Newark, N. J.
NATIONAL UNION FIRE INSURANCE COMPANY, Pittsburgh, Pa.
NEW HAMPSHIRE FIRE INSURANCE COMPANY, Manchester, New Hampshire.
SECURITY INSURANCE COMPANY OF NEW HAVEN, New Haven, Conn.
COMMERCIAL CASUALTY COMPANY, Newark, N. J.

The Sun Co., (Shanghai) Ltd.

Shanghai's Newest Department Store

FOR SERVICE AND QUALITY

●

830 NANKING ROAD, SHANGHAI. — TELEPHONE 97000

What People Are Saying

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of **The China Weekly Review.**

Coasters Planned

Editor
CHINA WEEKLY REVIEW
Dear Sir,

I was very much interested in John Ahlers' article, "Urgently Wanted: A Fleet of Coasters for China," which appeared in your first issue after the liberation of Shanghai. Mr. Ahlers' comments anent the possibility of the Chinese Government's future entry into coastwise shipping with a fleet of its own are intelligent speculation, but they seem to indicate that he has not been in touch with Chinese sources which might be interested in coastwise shipping on a large scale as a private venture.

In Fukien Province, for instance, officials of the Min River Steamship Company were already considering such a venture as early as May when the Japanese were moving out of Foochow. The Min River people were already making inquiries into the possibility of buying American Liberty ships which they thought they might be able to operate not only up and down the China Coast, but also to Singapore, the South Seas and India.

Whether or not their plans were feasible, the point is that they were entering a new field of private enterprise with an optimism and a courage that American capital had always claimed as its own monopoly. Undoubtedly there are other Chinese combinations which have plans for building China's shipping on a private basis. They will, of course, be a strong faction behind a move to retain China's rights of cabotage for China, and they will be an important factor in the business of transferring the development of China into Chinese hands.

Yours truly,
ING CH'I-LIANG
Shanghai

THE CHINA WEEKLY REVIEW

160 Avenue Edward VII
SHANGHAI

SUBSCRIPTION RATES:

Local Delivery:		3 *months*
		CNC$500.
	6 *months*	12 *months*
Abroad:	US$ 4.50	US$ 8.00

(Cut here and mail to us)

Please enter my order for the Review for the period of..... months, and enclose herewith CNC$ .....

Name .....

Address .....

金城銀行
KINCHENG BANKING CORPORATION
200 KIANGSI ROAD
SHANGHAI

THE CHINA WEEKLY REVIEW
Cable Address "REVIEWING SHANGHAI"
J. B. POWELL, *Editor and Publisher*
JOHN W. POWELL, EDWARD ROHRBOUGH, ROY ESSOYAN, *Editorial Dept.*
F. K. CHAO, *Business Manager* TRYPHON V. KU, *Advertising Manager*

Index for October 27, 1945

Editorial Paragraphs

Needed: A Policy 15
U. S. Leadership 15
World Hails Mighty U. S. Navy 16

Special Articles

Control of Freedom of China's Foreign Trade?.....*By John Ahlers* 17
Japanese Crimes In China 17
Kaji, the Japanese Who Fought For His Country—And Yours..... *By Edward Rohrbough* 19
Shanghai Market Livens Up At Hopes of Peace-Time Trade..... *By Fang Fu-An* 21
Were Jap Atrocities Planned, Or Out-of-Hand Actions?..... *By William Johnston* 22

Departments

People 20
Events 22
News of the Week 24

PUBLISHED AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX OF PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES. COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA. CABLE ADDRESS "REVIEWING SHANGHAI."

ALL EDITORIAL, TEXT AND OTHER MATERIAL IN THE WEEKLY ISSUES OF THE CHINA WEEKLY REVIEW IS COPYRIGHTED UNDER CERTIFICATE OF REGISTRATION NO. 9953 ISSUED BY THE MINISTRY OF INTERIOR OF THE NATIONAL GOVERNMENT OF THE REPUBLIC OF CHINA.

The Central Bank of China

A BANKERS' BANK

HEAD OFFICE:

CHUNGKING

SHANGHAI OFFICE:

Telephone: 17466 Cables: "Governbank"

BRANCHES:

Shanghai	Peiping	Ipin
Hanghsien (Yungkang)	Nanchang	Yaan
Ningpo	Kian	Kiangtsing
Chuhsien	Linchwan	Nankiang
Amoy	Chengchow	Tzeliutsing
Foochow	Kaifeng (Nanyang)	Nanpu
Tsinkiang	Loyang	Mienyang
Nanping	Sian	Loshan
Chienou	Nangcheng	Kwangyuan
Puchen	Lanchow	Santai
Santuau	Tienshui	Ichang
Kulangsu	Kweiyang	Hankow
Canton	Panhsien	Changsha
Swatow	Kunming	Changteh
Kongmoon	Mengtsz	Hengyang
Wuchow	Chungking	Lingling
Kweilin	Chengtu	
Tientsin	Wanhsien	

FOREIGN CORRESPONDENTS:

New York, London, Paris, Geneva and Hongkong

THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

中華郵政特准掛號認爲新聞紙類

Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China

Vol. 99 Shanghai, Saturday, Oct. 27, 1945 No. 3

Needed: A Policy

The Chinese Government must demonstrate immediately and in an effective manner its basic policy in economic affairs. The most serious ailment which confronts the country today is its complete economic prostration, and no remedy for this is likely to be forthcoming until the Government is prepared to lay down in specific terms the salient points of its economic policy.

In this connection, we welcome as helpful the declaration of Generalissimo Chiang Kai-shek in his interview with Mr. Hugh Baillie, President of the United Press. The Generalissimo said that he welcomed American capital and that it would be treated on the same basis as Chinese investments. He made it clear that the Chinese Government would only reserve as purely government-controlled enterprises the railroads, hydraulic power, iron works, and tele-communication. Other enterprises, he said, would be privately operated.

We feel that the Generalissimo's statement, in order to be made effective, should be carried a step further. The Chinese Government should, without any further delay, carry out its declared policy by actively encouraging foreign investment and private Chinese enterprise.

At this moment there is a general apprehension among Chinese as well as foreign industrialists and investors that the Chinese Government is likely to put into effect stringent control measures which would seriously hamper private Chinese enterprise and foreign economic participation in this country.

This apprehension is the result of the failure on the part of the Chinese Government to demonstrate by action that it is prepared to encourage to the fullest extent foreign investments and privately owned and operated Chinese enterprises.

Throughout the country today, the appalling extent of China's economic paralysis stares you in the face wherever you go. As far as the nation's basic economy is concerned, China has come out of the war with practically nothing left. Today she urgently needs money, men and materials in large quantities to help her fill the economic vacuum.

But at the moment nothing constructively helpful can be done until the Chinese Government takes demonstrative actions which would conclusively show what its economic policy is. We feel in this connection that the Chinese Government must now resolutely lift itself from the realm of words into the realm of action.

Delay, indecision and procrastination at this moment will lead to further chaos. Already, the nation's few remaining industries are at a standstill. Plans worked out by Chinese and foreign investors to start new industries in various parts of the country are now being held in abeyance. Uncertainty as to the future seems to be the general mental tendency on the part of all businessmen in China—foreign as well as Chinese.

This cannot be allowed to go on. Unless some new and vital life-blood is transfused immediately into the whole of China's economic system, a catastrophic breakdown is likely to happen in a matter of months.

We urge, therefore, that the Chinese Government take courageous and determined action immediately in order to banish this prevailing uncertainty and to enable free Chinese enterprises and foreign investments to start work right away on the task of rebuilding China.

U. S. Leadership

On the international political horizon, in Europe as well as in Asia, there looms today the shadow of a great question mark. This question mark poses a significant query: Will the United States, after the war, continue to exercise *active* leadership in world affairs?

On the surface, there seems only one answer to that question, and that is a strong and uncompromising "yes." Yet, when one studies closely America's past diplomatic record, as well as the present trend of her popular sentiments, one cannot escape the feeling that America is full of misgivings as to whether she is prepared to shoulder, on a long-range basis, the tremendous burdens and responsibilities of being the No. 1 power of the world.

These misgivings, we believe, are only natural. In the first place, America entered this war only as a last and only resort to preserve those ideas and ideals without which she could not exist as a nation. In other words, she was forced into the war, and today having won the fight, she wants to get out of it as soon as possible.

Furthermore, up to the very eve of Pearl Harbor isolationism was still basically the general sentiment of the average American. And today, after having won the war, Americans at home and abroad are inclined to feel, by virtue of their pre-war mental background, that they would like to return to their splendid state of isolationism.

Thus, regardless of what official Washington may feel or say about the general world situation, there exists in the United States a fundamental and overwhelming sentiment among the rank and file of the American people that now that the war is over, it's time for them to return to the peaceful confines of the Unites States and to resume there their pre-war patterns of life.

This general desire among the American people to get out of the bewildering confusion of the post-war world is perhaps best symbolized by the over-all eagerness of every American serviceman overseas to be "back home by Christmas."

We feel that this sentiment on the part of the American people of wanting to get out of world affairs is a dangerous one. The American people must realize, immediately and in the most clear-cut manner, that they are in world affairs for good. Isolationism, no matter how blissfully attractive it may seem, must remain forever a thing of the past. Having contributed the greater part of the effort toward winning this war, Americans must now realize that they must also shoulder the larger portion of the responsibility for keeping the world at peace.

One of the most important things that every American must have today is a full recognition of the fact that their nation is the most powerful on earth. A full understanding of this fact does not mean that they need to boast of their strength. It certainly does not mean that they need to apologize for it. It only means that Americans should know in the most realistic manner that they have at their disposal a tremendous concentration of military and economic power which they can harness if they will, for the general welfare of mankind.

Looking into the future, we see two things which might seriously handicap the peaceful solution of world affairs: First, America's own failure to recognize her power; and second, America's and Americans' natural shyness and unwillingness to "throw their weight around" in actively seeking for the things they want in the world of tomorrow.

We repeat that if America wants to win the peace and to keep it, there must be complete realism in American mentality and American policy. Sentimentalities, modesty and shyness are perhaps commendable qualities in other spheres of activity, but they will not contribute toward world peace in today's realistic world.

World peace is a perishable commodity. America today certainly cannot preserve it by pussy-footing in world affairs. We believe there is only one way whereby this world can enter into a new state of peaceful and generally prosperous existence and that is: America must actively and energetically assume the role of world leadership on a long-term basis, with the fullest realization of its responsibility, but without the least faintness of heart.

World Hails Mighty U. S. Navy

With Navy Day being celebrated in the United States and in 900 Navy bases throughout the world today, it may be timely to recall the major role played by U.S. naval forces in the Pacific during the war. The U.S. Navy was the first of the country's armed forces to go into battle action, immediately after the United States was plunged into the war by the Japanese attack on Pearl Harbor.

Badly hurt though it was by the temporary loss of eight battleships, three cruisers, three destroyers, and other vessels and installations at Pearl Harbor, the Navy was, nevertheless, still in fighting condition.

Admiral William H. Halsey, Jr., then a vice-admiral in command of the Navy's Aircraft Battle Force in the Pacific, returned to Pearl Harbor aboard the aircraft carrier Enterprise the day after the attack. He was one day late because heavy weather had delayed him and thus had saved his force from possible destruction in port. He sailed out again the following morning heading the first naval task force to go into action against the Japanese. Halsey, now a full admiral in command of the mighty U. S. Third Fleet in the Pacific, brought the shooting war, as contrasted with the bombing war, home to the four islands which comprise the Japanese mainland.

Ships Shell Islands

Heavy ships of the Third Fleet in the summer of 1945 repeatedly steamed within shelling distance of Japan's coastal cities and their big guns poured thousands of tons of high explosive shells into important military installations and industrial targets along the shoreline with little or no opposition from the Japanese navy or air force.

In the interim, a period of more than three years, the Navy bore the brunt of every battle action in the Pacific, both defensive and offensive. First it stopped Japanese expansion southward, then established and maintained supply lines to Australia and other Southwest Pacific bases, and later pioneered in a method of warfare which takes men across the seas and puts them ashore in hostile territory. Finally it pursued an offensive action which has been described as "pushing airfields at Japan."

The destructive power of naval task forces is shown in the score of damage inflicted on the enemy in five months of action by Admiral Halsey's Third Fleet. Against losses of 449 planes and the light aircraft carrier Princeton, the Third Fleet destroyed 4370 enemy aircraft and sank 82 enemy combat ships and 372 auxiliary vessels and merchant ships. Along with the carrier task force commanded by Admiral Halsey, a fleet of 29 submarines went into action immediately after the Pearl Harbor attack to hamper the Japanese in the South and Southwest Pacific.

Japanese Threat Quashed

Losses in ships alone do not, however, tell the whole story. Japanese-occupied islands were unable to remain a serious threat to the Allied advance without supplies. The great Japanese naval base at Truk was cut off and neutralized by submarine activity. The garrison on Saipan was weakened at a crucial moment when U. S. submarines sank a large Japanese convoy bound for the islands. Saipan was one of the principal Allied bases from which long-range B-29 Superfortresses took off to bomb the Japanese home islands.

A new method of attack was called for—a method that could send men safely across great ocean distances, land them safely on coral atolls or enemy-held beaches, support their attack and then supply them for indefinite periods.

The Navy answered this demand by developing and perfecting the now-routine "triphibious warfare" in which land, sea and air power were combined into an offensive capable of breaching even the most impregnable enemy positions.

Procurement, shipping and stock-piling for the Okinawa campaign began in 1943 and during the ensuing period the materials were assembled for loading. Much of it was shipped to a forward staging area which posed new problems in packaging to provide ordinary protection and also to prevent deterioration under extreme climatic conditions. Some material for the Okinawa operation reached the Pacific in the spring of 1944.

New Technique Used

Making possible the successful landing operations in the Pacific and enabling the Navy to maintain and supply the fighting men put ashore is an organization new to naval warfare, the Naval Construction Battalion. This organization was developed after the outbreak of the war and numbered some 200,000 personnel, about 80 percent of whom were on overseas assignments ranging from beachhead construction jobs while soldiers and Marines were still fighting to hold beaches, to building new air-fields and permanent supply bases on newly captured territory.

Seabees, as the men of the construction battalions are called, went ashore with the troops on many occasions and worked literally with their tools in one hand and weapons to protect themselves in the other.

New Problems

In its advance into distant Pacific waters, the Navy encountered an entirely new set of problems with regard to the medical care and health of its men and solved them with characteristic thoroughness. Unable to establish field hospitals comparable with the base hospitals in Europe, the Navy turned to other expedients, the most important of which were the evacuation of sick and wounded men by air to hospitals in rear areas and even to the United States, and the operation of hospital ships which are simply floating hospitals.

For major repair work, seagoing floating drydocks have been developed. Put to sea in sections, they can be welded together so that a battleship or cruiser can be serviced in them. One such drydock has accommodated two cruisers at the same time.

The total Allied merchant tonnage in the Pacific was estimated at upwards of 64,000 tons. Allotment of this tonnage was based on a known requirement that every fighting man put ashore on, say Luzon or Okinawa, required 16 tons of shipping during the first month of operations and six tons per month for every additional month thereafter. In the case of Luzon, 2,200,000 tons of shipping were required during the first two months for 100,000 men landed in January, 1945. This figure was increased in proportion to the reinforcements landed. For the transport of one infantry division, 100,000 tons of shipping was required, for one armored division this figure was doubled.

Japanese Navy Remnants

With the war now taking its place among other wars in the history-books of the world, a post-script on the once great imperial Navy of Japan has been supplied in two dove-tailing reports—one American and one Japanese.

The Japanese report is the official register of naval vessels on the day of surrender, presented by Japanese representatives at Manila. It lists only nine major units, eight of which were damaged, as now remaining in the Japanese fleet.

Actually, in the defense of their homeland during the last week of the war, the Japanese admirals were facing the gigantic United States-British armada with exactly one cruiser, the Sakawa.

The other major vessels in the register include one battleship, the Nagato, which was badly damaged by Naval carrier planes at Yokosuka, three damaged aircraft carriers and two damaged cruisers.

The American report is in the form of a chronological summary of the devastating blows showered upon the Imperial Navy by the three striking arms of the United States Fleet—aircraft, submarines and surface vessels. Of the 318 combatant Jap units, from submarines to battleships sunk or crippled from Pearl Harbor to V-J Day, the summary deals with the 67 largest, giving the name of the vessel, the date and location of the sinking or crippling and the agent.

How effectively the Navy cleared the way for ground forces moving toward Japan is shown by the summary in terms of years. Coming back from the purely defensive measures of the first part of the war, the ever-augmented United States Fleet broke the back of the Japanese Navy in 1944, sinking 37 major vessels. These included four battleships, nine aircraft carriers, three escort carriers, eight heavy cruisers and 13 light cruisers.

There remained in 1945 only the job of hunting down the remnants of the shattered Imperial Fleet, by that time hiding in the once safe harbors of the homeland. Five battleships were found either sunk or crippled, and six cruisers, three heavy and three light. Only the Sakawa escaped detection.

The Japanese register of vessels presented at Manila more than confirmed United States Navy action claims. Two battleships believed to be only moderately damaged, for instance, were found to be entirely out of action.

Control Or Freedom Of China's Foreign Trade?

By JOHN AHLERS

Is the foreign economic and financial intercourse of China in the future to be free or to be controlled? Are international trade and payments in China to be left unrestricted at the discretion of individual business men, or are they to be subjected to control by the state? These questions are on the lips of many who anxiously look ahead and try to anticipate the conditions under which this country's economic relations with the outside world will have to be carried on in post-war times.

A hundred years ago, control exercised by the state was commonly understood to mean merely such control as would guarantee to the individual business man the full pursuit of his interests and initiative. Today, state control in the economic field has come to mean the subjection of the interests and the action of individuals to the interests and the decisions of a collective entity. Are business men in China to be free to import or export what they chose, to buy or sell at what prices they determine, to borrow or to lend in other countries, to exchange Chinese currency for foreign funds or the other way round?

There is but a single country completely negating the right of the individual business man or business firm to foreign intercourse. This is the USSR. She is one of the greatest powers in the world and has a major share in the glory of the victory just won. Her laws prohibit anyone of her citizens to engage in foreign trade or to own foreign currency; all her intercourse with foreign countries is reserved to state or collective enterprise; it is subject to the control of the State Bank of the USSR.

There are, on the other hand, but a few countries, and these of little economic importance for the world as a whole, where the state does not at all interfere, for practical purposes, with the free initiative of the private business man or his corporations. Such countries are Egypt, Persia, and the like — countries where the absence of state control of foreign intercourse is chiefly accounted for by the very recent date, or the still incomplete degree, of recovery of national sovereignty. These also are countries whose economic backwardness makes the enforcement of control particularly difficult.

Control Enforced

The vast majority of sovereign states all over the world do not allow in their foreign economic intercourse either completely free business initiative, nor complete state management. In all the important sovereign countries, except in the USSR, a certain degree of free business initiative continues to be preserved, but at the same time a certain degree of state control over foreign trade and foreign payments is being enforced. The question at issue is not whether China should restore pre-war liberties to international business or imitate Russia—but rather where in the future the line of demarcation is to be drawn between a reasonable degree of conservation of business liberties and a reasonable degree of enforcement of state control and state management.

Post-war China cannot again allow the flight of capital. China is a country short of capital, compelled to borrow abroad on a large scale in order to finance economic development. It would be unreasonable, and contrary to the national interest, to permit another flight of Chinese funds into foreign exchange. On the contrary, what Chinese capital already has found refuge in foreign countries, must be tracked down and forced to return. A guarantee against another flight of capital can be found only in restrictions which prevent prospective refugee capital from buying foreign exchange, and which compel existing refugee capital to convert back into national currency.

Also, post-war China cannot again allow foreign-exchange speculation. To prevent this, the forward market in foreign-exchange must be subjected to strict supervision. To trust that the banks by themselves will discriminate between legitimate and illegitimate foreign-exchange demand would be a delusion. The banks normally will accommodate their customers. The state must step in and lay down the law.

Bans on capital flight and foreign-exchange speculation without a certain degree of foreign-trade control would be ineffective. If imports are not subjected to foreign-exchange permits, the owners of refugee capital might repatriate their funds in the form of foreign goods. If exports are allowed to leave the country before the foreign-exchange proceeds are sold to the Central Bank, exporters might not surrender the proceeds at all but might build up abroad another pile of refugee capital. An exchange permit system covering all imports and all exports is a necessary corollary to any policy really aiming at combating capital flight and foreign-exchange speculation.

Permits Necessary

Such a foreign-exchange permit system would be a mere accessory to such a policy. In addition, stricter control is required to keep volume and value of foreign trade itself within such limits as will appear desirable from the point of view of the totality of China's national economic interests. The tariff has to be revised. While development goods should best be placed upon the free list and the export duty be abolished altogether, import duties for essential goods, and especially for luxuries, will have to be very much increased. They should not be made prohibitive, because it will not pay to kill the goose that lays the golden eggs, and China requires a substantial Customs revenue. But they should be made as high as the traffic will bear.

In addition to the tariff, China will have to apply some more modern means of foreign-trade control and regimentation. There is the quota and license system, introduced in Free China first in 1939. This system allows the government to fix maximum volumes for any line of imports (i.e., the quota), and to distribute this quota among the interested firms according to a schedule determined by the state (i.e., the licensing schedule). Under this system, China cannot be surprised by imports larger than desired in any regimented commodity. The system prevails all over the British Empire and thus has come to be regarded as eminently respectable.

General Plan Needed

There are also other means of foreign-trade regimentation by the state. Central Europe and South America have been particularly productive in schemes of this sort, and Chungking has on file reams of reports enlarging upon all or most of the advantages of such schemes. In the race between the ingenuity of business men in evading and circumventing foreign-trade regimentation, and of state officials in forcing the business men into line, it is the officials who everywhere are winning out. They have the longer breath. In the long run, they close all the loopholes which the business men detect, and the latter get caught.

All of China's future measures of foreign-exchange and foreign-trade control must be concerted. They must be enforced under the auspices of some more general plan of foreign economic and financial intercourse, and this plan in turn must fit in with a still more general plan for the economic development of the entire country. It will be the duty of the National Economic Council to work out this latter plan, and then to extract from this plan a specific plan for foreign trade and foreign payments. It will be the duty of the various government departments, in the pursuit of their current policies, to keep these two plans constantly in mind as their guiding lights in the decisions which they will have to make from day to day as China marches onward along the road of progress.

Jap Crimes In China

For two weeks the knowledge of the torture and death of three American fliers in Hankow last December has been public property. For a month before that American and Chinese authorities knew enough about the incident to be able to fix a large share of the guilt.

Long before the end of the war, American and Chinese authorities knew of the execution of three of the Doolittle fliers, the tortures suffered by Americans in Bridge House, and a hundred other instances of Japanese atrocities against Americans in various parts of China.

Yet no one seems to know anything about the punishment of the perpetrators of those crimes. Are war crimes committed in China against Americans punishable by Chinese or by American authorities? No one seems to know—least of all the American investigators who are still collecting evidence of those crimes.

Perhaps there is some very good reason for official silence on punishment of Japanese war criminals in China, but if the authorities expect to retain the confidence of little people in their promises, they will protract that silence no longer than absolutely necessary.

Himmler is dead because he foresaw his doom. Laval and Quisling are dead. Goering and 24 of Hitler's satellites heard the beginning of their end a week ago. Every day brings new stories from Europe of the execution of war criminals. We cannot help noting that the execution of some of Asia's war criminals is long overdue.

Peking Club Bans Axis Members

The hyper-exclusive Peking Club, which prides itself on dating back to the days before the Boxer Rebellion as the finest club in the Far East, has taken a step which will make it an even more exclusive organization.

On the bulletin board, the following notice has been posted.

"To ex-Nazis, ex-Fascists and Japanese:

"Attendance at the Peking Club of all persons coming under the above categories is undesirable during the period of American armed forces special billeting in this city and they are asked to inform the club secretary of their intention to absent themselves from the club during this period.

"The absenting members shall not be charged dues for the period of absence."

American Editorial Comments Upon The Occupation Of Japan

Burck in The Chicago Times

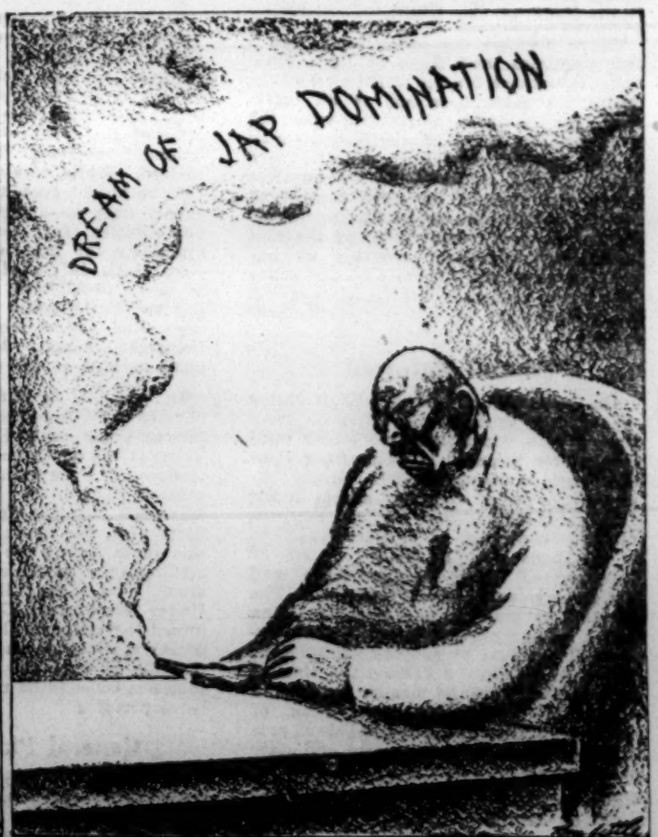
WONDER IF IT'S REALLY DEAD?

Thomas in The Detroit News

IT WILL TAKE A LONG TIME

Russell in The Los Angeles Times

A ROAD BACK?



Little in The Nashville Tennessean

HARA KIRI

Kaji, The Japanese Who Fought For His Country---And Yours

By EDWARD ROHRBOUGH

It was the spring of 1940 and the the sun shone pleasantly on Tokyo Harbor, but no crowd of civilians thronged the pier to throw flowers at the embarking soldiers, or to wave Rising Sun flags and cry "Banzai!" The war in China had grown deadly serious, for Chinese resistance was stronger than anyone expected. No longer did troopships depart from the shores of Nippon in a carnival atmosphere, and as file after file of stocky, brown-clad soldiers clambered up the gang-plank of the stubby, grey transport, the atmosphere was one of strict military discipline.

At the other side of the pier, a captain was imparting the last few thoughts of an indoctrination speech to his company. The soldiers stood at attention and listened and only one or two brows twitched—only a few pairs of eyes moved in reflective thought. The officer was suddenly indignant and he shouted.

"I must tell you that there are some shameless Japanese in China who are traitors," he said. "They are working with the terrible Chungking government for the downfall of our emperor. They will try to make you believe they are your friends and they will fill your ears with lies. They are called the Han Sen Domei, and their leader, one of Japan's worst traitors, is Wataru Kaji! Remember those names! They belong to enemies of the emperor!"

Battle Of Words

Wataru Kaji! No name stands higher among those Japanese who opposed the rise of the militarists. No name is known more widely among the Japanese-Americans who have hoped for the evolution of democracy from Japan's feudal political system. Probably no single man has been more thoroughly hated and feared by the leaders who planned the conquest of Manchuria and of China and the attack on Pearl Harbor. Other "enemies of the emperor" fought with guns and planes—weapons the militarists could understand.

Kaji fought with words and ideas and he fought in the minds of men. He chose the one battleground where the militarists knew they were most vulnerable. Also, the other potential opponents of Japanese Imperial ambition were for years much more timid than Kaji. Whereas England and the United States countenanced Japan's early seizures, Kaji has fought against the elements that effected those seizures since 1926. Here in China he has done his most effective fighting, and it was his influence here that the Japanese militarists feared most. Kaji penetrated the shell the militarists built around the minds of their soldiers and showed them the paths to democracy.

The Han Sen Domei, or "Anti-War League," is the organization founded by Kaji for Japanese prisoners and for Japanese soldiers fighting in China who may have become disillusioned about the present course of Japan. During the early years of the war, it was the Han Sen Domei which broadcast offers of friendship to lonely Japanese garrisons by radio, by amplifier, and even by megaphone. Quite often it was Kaji, himself, who did the talking. It is difficult to plant the seeds of insubordination and rebellion among the soldiers of an army that is winning, and in the early part of the war, the Japanese Army was winning consistently, if not by the margins its leaders anticipated. But Kaji did just that.

Balked By Simplicity

In 1940, on the Ichang Front, Kaji and a group of Jap prisoners who had volunteered for the job, broadcast messages with amplifiers. They were messages describing the futility of war for the privates, or for anybody. They promised friendship and good treatment for any Japanese who might be taken prisoner. They offered uncensored news of Japan to homesick Japanese soldiers, and they included titbits of propaganda calculated to make the soldiers of the ranks dissatisfied with their treatment, their officers, and the whole enormous task of conquering China.

Kaji smiles as he remembers that period. "The officers ordered the soldiers to stay back from the front lines so they would not listen, but when the officers, themselves, had left the front lines, the soldiers would come back. The officers found it impossible to stop the men, and then there was rebellion."

One company of Japanese sent back 12 officers and men from the Ichang Front to the rear for punishment, and Lieut.-Gen. Sonabe himself decreed the punishment for most of the rebels—which was death. Details of the whole incident were brought to Kaji by Lieut. Hasaguara of the 13th Japanese Division, when he came to join the Han Sen Domei later. Lieut. Hasaguara brought Kaji stories, too, of how his activities with leaflets, newspapers, and broadcasts had caused the Japanese to declare martial law in the city of Ichang, and to dispatch a fighter plane regularly assigned only to the task of finding and eliminating Kaji and his propagandists.

But the very simplicity and honesty of Kaji's approach was disarming to the frontal, physical attack of the militarists. "My men and I used to slip out to their front lines at night," says Kaji. "We would tie little bags of candy on the barbed wire and inside each bag there would be a written message of propaganda. Later we would get letters of thanks from the soldiers."

Kaji quit going to the front lines during the last two years of the war because there were many more Japanese in Chinese hands than formerly. Working for the Chinese government, Kaji combined in his duties the task of assisting the United Nations with military information, the care of the Japanese prisoners of war, and the education of those prisoners with a view toward making them the men to rebuild Japan after the war. Kaji's new Japan is one in which the people will have a voice in the government, and there'll be no emperor at all.

Appearance Deceptive

For two years, you could see Kaji nearly any day around Chungking, for his duties kept him close to the Chinese capital, but if you did see him, you'd probably be disappointed in his appearance. He's a very small, almost wispish man whose outstanding physical feature is a mop of long wavy black hair that is beginning to turn white in spots. He is shy in the company of strangers, and though he can speak English very well, he hesitates to speak it among English-speaking people. He is often smiling and his voice is soft and gentle; yet there is a dignity in his bearing far deeper than the shyness that catches the attention of most people meeting him for the first time.

Only a part of Kaji's character shows in his face. It is the sensitive face of a creator and you might guess him to be an artist, or a musician. You would certainly see the kindness and sympathy in his smile, and you might even decide that the tightness of the corners of that smile indicate an unusual regard for detail. You couldn't miss the feminine quality of the man's whole face, but nowhere would you see the strength that led him to fight one of the most uphill fights in the world for nearly 20 years against the forces of feudal Fascism in Japan.

Shortly after Kaji's writings against the outdated, oppressive landlord system of Japan began to appear, the Japanese police began to take an interest in him. After 1930, when he began to oppose the rising tide of the militarists, the police picked him up about twice a year. Once, when he had sat down at his dinner table with his family, the police arrested him and threw him in jail on the charge that they had apprehended him in the act of participating in a "secret meeting." But still his writings continued to appear, and they were known to most Nesei in the United States and in Canada, as well as to readers all over the Japanese Empire.

In 1932, paralleling Japan's campaign for Manchuria, the Japanese police began a new drive against

all Japanese liberals who opposed the aggression. In Tokyo, they beat to death Kaji's friend, Takeji Kobayashi, author of the expose book, "Fishing Boat," which told of the oppression of the fishermen who worked on the Japanese boats operating in Alaskan waters. And they threw Kaji into jail again.

"After that they had me in prison six months of each year until 1934," says Kaji.

Informal Exit

In 1934, the police decided it was easier to keep such an incurable democrat in jail than to watch him, so they gave him a two-year sentence, and when he came out, he knew there was no longer any way for him to continue his work in his own country. He sought a way to leave Japan. He could be sure only that the Japanese government, much as it disliked him, would not give him any passport, so he hunted a more informal exit. He finally got help from a friend who managed a theatrical troupe.

"On January 5, 1936," he says, "I boarded a ship as an actor. I was safe from the officers because the papers of theatrical troupes were not checked. But I was safe only so long as I didn't go on the stage. If I did that, someone would be sure to know me."

The passage from Tokyo to Shanghai provided the miracle Kaji needed. The ship encountered a tremendous storm and ice covered the decks. The captain felt he must send a distress-message, but no one would venture out on the deck to take it to the wireless room. Kaji, feeling he had little to live for at the moment, volunteered and completed the round-trip safely, much to the admiration and surprise of the ship's crew and the other passengers.

The troupe's manager, overcome by the presence of a hero in his company, told Kaji, "Anything in my power to do for you, I will do. Ask for what you want."

Kaji asked to be allowed to stay off the stage, and he told the manager something of his reasons and his own background. The manager did not care to offend Japanese officialdom, but he was full of gratitude and admiration, and Kaji found himself ashore in Shanghai and free, but with only $25 in his pocket and no knowledge of the Chinese language.

Roamed Streets

He knew quite well that there might be Japanese agents watching for him in Shanghai and that they would be most likely to keep check on the homes of those known for their liberal tendencies. So for five days, he roamed the streets of Shanghai wondering how he could make contact with friends he knew were in the city. At last, he went directly to the home of the Chinese writer, Lu Hsun, and immediately discovered other emigre friends from Japan. Lu Hsun, astounded to see a man he had last heard of as a political prisoner in Japan, asked incredulously, "How did you come, by land, or by water?"

It was among the members of the little group of Shanghai liberals that Kaji recuperated from his prison term and spent days writing and learning Chinese. When the Japanese chose to create an incident at the Marco Polo Bridge, Kaji was ready for them—with candy and loudspeakers, words, and ideas.

But there weren't many prisoners taken by the Chinese immediately, for the Chinese were busy fighting a hard, slow defensive action to hold their cities. Not until 1939 did Kaji really begin serious work. Then, with 70 prisoners to talk to, he began showing them how they could use their time in captivity to help make a better Japan than the one they'd been fighting for. Six months later, with several groups, or combat teams organized, Kaji took his fight into the field on the Kwangsi Front.

Three of the prisoners were shortly killed by enemy bombing, but Kaji's leaflets and broadcasts began to show results. The Japanese resorted then to all kinds of tricks to keep their soldiers from listening One of their favorites was to interrupt the broadcasts with artillery barrages. It pleased Kaji to find that they feared his ideas so much, but the barrages didn't stop him.

Bullets of Words

"We just waited until the firing was over and began again," he says, "and they would begin firing again. We would wait, and at the end of the barrage, we would fire more bullets of words."

"Bullets of Words" became a favorite slogan of Kaji's, and the Japanese found that regardless of how many expensive shells they spent, they could not silence him any more than they could break his spirit by keeping him in prison. With the Chinese driven bit by bit up the Yangtze and back into the West, Kaji's newspapers were not retreating. They were still being circulated as far in the enemy's rear as Shanghai. From time to time he would hear reports by the Chinese grapevine and by newly captured prisoners that the milatarists were planning new steps to combat him. Once officers on the Ichang Front tried the expedient of having "retreat" blown on the bugle to bring the soldiers out of the front lines while Kaji and his men were talking. But that only incited further revolt, for the men listened anyway and refused to leave their places in the line.

After the war became global, the United Nations all adopted some of Kaji's methods, but few ever managed to approach the task with as much genuine human sympathy for their subjects as Kaji. He never forgot that he was talking to his fellow-countrymen, and he never forgot that the young Japanese soldiers, murderous as they might be at the moment, were still the nucleus from which a new Japan must be made.

Among prisoners of war, he never forgot the doctrines of democracy and he found in most of his listeners an interest that needed only to be kindled by the uncensored truth. Like Okano who worked with the guerrillas of the north, Kaiji spent his time showing the Jap prisoners of war how democracy in Japan might have averted the thousands of individual tragedies over all Asia.

Surely Kaji the pacifist has fought enough in this war to deserve a voice in the rebuilding of his country.

PEOPLE

GENERALISSIMO CHIANG KAI-SHEK and MADAME CHIANG took time out on a sunny Sunday afternoon last week, visited Ipin, 150 miles above Chungking on the Yangtse.

MAJOR GENERAL CLAIRE L. CHENNAULT, former commander of the 14th Air Force in China, will be retired October 31, 1945, according to an announcement by the War Department. General Chennault has been in a convalescent hospital in Miami, Florida. He is 55 years old.

HENRY LUCE, publisher of Time, Life and Fortune arrived in Shanghai October 24, after visiting Tsingtao, Peiping and Nanking. He was impressed by the "speedy, successful" re-occupation of liberated areas by Chinese troops, which he described as "an unprecedented event in history."

OGDEN REID and WILBUR FORREST, editor and assistant editor of the New York Herald Tribune, passed through Shanghai last week in a tour of the Far East. Forrest had a surprise waiting for him in Shanghai in the shape of his son Ed, a naval lieutenant stationed aboard a destroyer-escort in the Whangpoo.

DR. W. W. YEN, prominent Chinese diplomat and former Ambassador to Soviet Russia, may assume presidency of St. John's University here.

N. S. ANANIEFF, first secretary of the USSR Embassy in China, arrived here late last week, left two days later for Nanking. He is expected to return in a few weeks.

BRIGADIER-GENERAL MALCOLM LINDSAY received the Order of Yun Hui in Indianton Pa., for training Chinese troops for battle against the Japanese while stationed in the CBI Theater.

FEDOR L. GLEBOV, former Lieutenant-General in the czarist army, and head of the emigre ("white") Russian community here, died on October 22.

CHEN KUNG-PO, puppet head of the Nanking regime, repeatedly reported in Japan, Nanking, Chungking and the other world was finally tracked down by newspapermen last week. He was in Nanking, and still alive.

DR. ROBERT T. HUANG, recently assistant general counsel of the United Nations Relief and Rehabilitation Administration and an authority on Chinese and American business law, has been appointed resident legal counsel to the China-America Council of Commerce and Industry. Dr. Huang will provide translations of Chinese laws as they affect American companies doing business in China. This is of extreme importance to American firms here, it was pointed out, because the abolition of extra-territoriality will bring American companies under Chinese laws for the first time.

Shanghai Market Livens Up At Hopes Of Peace-Time Trade

By FANG FU-AN

Rumors to the effect that the Government would change the official exchange rate to CNC$2000 for US$1.00 in the middle of last week stimulated the local financial speculative market, pushing up the quotations of gold bars from CNC$49,000 per ounce to CNC$62,000 and that of the US dollar from CNC$800 to CNC$1100. However, an emphatic denial issued by Mr. Jian H. Chen, financial commissioner at Shanghai and Vice-Governor of the Central Bank, on the next day checked the rise and caused a downward trend during the last few days of the week. The official denial issued by Mr. O. K. Yui, Minister of Finance in Chungking, further stabilized the market. The quotations for gold and US dollar notes dropped to CNC$50,000 and CNC$900, respectively, when reports reached Shanghai that gold valued at US$50,000,000 had arrived here from the United States to cover the note issue of the Chinese Government.

When the financial market opened this week, it was again on the firm side because of increasing hope of early resumption of foreign trade and operation of local factories. Gold was quoted by closing time on Monday at CNC$52,500 and US dollar notes at CNC$910.

An interesting article, published by the *Chen Yen Pao*, declared that commodity prices in China have increased 1000 times. Calculated on this basis the quotation of US dollar notes should be CNC$3330. However, the article continued, as commodity prices have risen by 50 per cent in America, the US dollar rate should be around CNC$1650. Whether this calculation is correct or not is highly doubtful, because it might not be statistically correct to say that commodity prices increased by 1000 times during the years of war. For instance, the price of rice increased from CNC$10 to CNC$5000 per picul and the quotation of gold bars increased from approximately CNC$100 to CNC$50,000 per ounce. In both cases, the prices increased by 500 times. It is true that quotations of many articles rose by 1000 times or even higher but until a general price index is compiled it is hard to make any definite statement.

Stocks And Shares

Stocks and shares firmed up also during the week ending October 20 because of the optimism displayed by industrialists toward the immediate future of local industry. As a result of the organization of a special committee for the transportation of coal from North China under the personal direction of T. V. Soong, president of the Executive Yuan, it was expected that the serious problem of shortage of coal supply in Shanghai would soon be solved. Already nine ships have been sent to North China to ship coal to the south. It was reported that from 300,000 to 400,000 tons of coal were piled up at four pit-heads of the Kailan Mining Administration, ready for shipment.

Factory owners were busy repairing their plants and purchasing raw materials, thus pushing up the prices of raw cotton and other articles. Meanwhile, quotations of stocks and shares appreciated. Mayar silk increased from CNC$130 to CNC$210, while Wing On Cotton Mill rose from CNC$280 to CNC$340 during the week.

Among the foreign shares Ewo Cotton was quoted at CNC$950 on Monday of this week (October 22), Paper Industries at CNC$190, Ewo Brewery at CNC$230, Wheelock at CNC$3000 and Shanghai Land at CNC$1050.

Both the financial and commodity markets ruled very firm during the first four days of this week as Chungking merchants and local businessmen continued to buy. Rumors about the purchase of gold by the Central Bank, though emphatically denied, pushed up the prices. Quotations on Thursday, October 25 are given below:

Gold	CNC$62,000
US Dollar ..	1050
Wing On Mill.	410
Wing On Co.	300
Mayar	240
Ewo Cotton.	1050
Wheelock ...	3000
20's Yarn ...	420,000
Rice	7000

Commodities

Reflecting the down-ward trend of the national dollar during the week was the general rise in commodity prices. Despite the efforts of the local police, prohibiting the sale of goods above the prices of September 12 (scores of shops were closed down by the police when found violating this regulation), prices continued to rise. Many shops preferred to suspend business rather than sell at officially fixed rates, as they could not replenish their stocks. For instance, price of silk piece goods doubled during the week, while other necessities increased by 50 or 150 per cent.

Prices for important raw materials such as raw cotton increased also. With increasing demand by cotton mills, the price of Hooche cotton rose from CNC$21,000 on October 14 to CNC$27,500 per picul on October 20. Chitung cotton increased from CNC$31,000 on October 14 to CNC$41,500 on October 20. Cotton cloth—12 lb. Dragon Head—rose to CNC$16,000 per piece of 40 yards on October 22 while 20's Double Horse cotton yarn reached CNC$350,000 per bale. The price of rice increased from CNC$3500 to CNC$4800 per picul during the period.

Industry

Great hopes were expressed by local industrialists believing that industrial activities would soon be revived in the city with the solution of the coal problem and the increase of supply of electric power by the Shanghai Power Company. Many of the plants are making plans for the reopening of their factories. Well-informed circles stated that when the war came to an end and when the Japanese factories were taken over by the Chinese, all factories in town suspended operation. During the past week, about 5 percent of Shanghai's industrial plants resumed operation and with the reopening of the Tien Chang Paper Mill, the Chang Hwa Woollen Mill, the Kung Ta Cotton Mill, and a number of others, the percentage will increase to 8 or 10 percent by the end of this month. Every indication shows that Shanghai industrialists are highly hopeful and optimistic that the city will soon become once again the leading industrial center of the Far East.

Labor

Shanghai's labor problem became very acute in the middle of October with numerous strikes started by workers in many department stores, tramways, cotton mills, and even ricksha pullers. However, conditions are improving rapidly as wages have been readjusted and more and more factories have started to operate again. The main cause of the strikes was the suspension of operations of industrial plants. However, it is believed that political agitation was responsible to a certain extent for some of the labor unrest.

The ricksha pullers in Shanghai went on strike on October 18 when they were informed that the ricksha owners had decided to increase the daily rental of rickshas from CRB$25,000 to CRB$36,000. The ricksha pullers refused to accept this increase saying that the rental had already been increased from CRB$800 to CRB$25,000 in the past two months. The ricksha owners argued that the price of rubber tires had increased from CRB$2,000,000 to CRB$6,000,000, not to mention other expenses of repair. The strike came to an end on October 21 when the local authorities mediated.

Cost Of Living

Cost of living of workers in September was 29,924, with 1936 as the base year at 100. The indices for different items are listed below:

Food	36,256
House rent	12,327
Clothing	42,036
Miscellaneous	23,454
General Index	29,924

The cost of living index for Chinese salaried employees in September was 21,026 while that of foreign employees was 21,321. The purchasing power of the Chinese dollar dropped to 0.33 of a cent. With prices of commodities increased in October, the cost of living index for this month is expected to be far higher than that of September.

MAY NEE & CO.

美藝時裝公司

Ladies Tailor, Special Maker

Fancy Silk-Goods: Underwear, Pyjamas, Jackets, Dressing Gowns, Kimonos etc.

We have sufficient and various kinds of goods to supply.

All Hand-made Ancient Embroideries.

298 Yates Road
SHANGHAI

Were Jap Atrocities Planned, Or Out-Of-Hand Actions?

By WILLIAM JOHNSTON

The manner of the Japanese surrender in China has made one thing very clear. The Japanese generals had disciplinary control of their men that was not surpassed in degree by the Germans. At various points in China, armed Japanese enlisted men allowed minorities of Americans and Chinese to pass freely among them. In spite of the fact that many of these Japanese troops had never been beaten on the battlefield and in spite of their real bewilderment as to the cause of the surrender, they obeyed the orders of their superiors. They did not create incidents and in most cases they did what they could to facilitate the machinery of an awkward surrender.

So the massacres of Nanking and Canton and the tortures of Bridge House are all the more damning to the Japanese generals. When the Japanese raped and bayonetted and burned at Nanking, American reporters wrote that they had "got out of hand," and had perpetrated crimes that had no sanction of the Japanese High Command. No one who walked among the Japanese during the latter days of August or the early days of September this year will believe they ever got out of hand. Japanese Army discipline was and is far too strong for that. The things they did were ordered by their generals with specific objectives and the seeming lack of order about their brutality was only another evidence of the perfection of the discipline under which they operated.

Terroristic System

Often the reasoning of the generals was incomprehensible, not only to Westerners, but to Chinese as well. They made a great show of exploding the myth of the white man's superiority by humiliating prisoners of war publicly before Asiatics, but the treatment they accorded those prisoners was better than that they gave Asiatic prisoners. They at least left many American and British prisoners alive. The people of China, Indo-China, Burma, and the East Indies were given but one alternative—they became puppets or they were killed. As for the myth, it was destroyed by Japanese victories in the Philippines and at Hong Kong and Singapore.

Even after they had been proved wrong hundreds of times in China, the Japanese persisted in trying to rule the people by a terroristic system. They never found out that they could not frighten enough people by brutality, that there would always be those who would continue to oppose them no matter how brutal they were. Even during the last months of the war, while they were withdrawing from their farthest outposts and consolidating their forces for a fight against the Americans on the mainland of China, the Japanese were still burning Chinese villages and killing unarmed villagers as they had in their campaigns eight years before.

I accompanied the Chinese 80th Division for 200 miles when it followed the Japanese withdrawal from Foochow in May, and I saw that what the Japanese left behind was what they have left behind in China from the beginning of the war. They had impressed the laopaihsing into their service as carriers and they had neither fed the carriers, nor given them any rest. So when the carriers protested or attemped to escape, their Japanese guards killed them mercilessly. The bodies of murdered laopaihsing, bayonetted, shot, and clubbed to death, averaged about one to every 3 li.

More Brutality

Yet the laopaihsing continued trying to escape, and many of them succeeded, and the escapees were those who gave the most accurate intelligence reports to the pursuing 80th Division.

Perhaps because the people of the villages were even more vulnerable, the Japanese treated them even more brutally than they did the kidnapped carriers. They tortured some villagers to make them tell where they had hidden their food supplies. They killed some with no apparent motive other than testing the edges of their swords, and they burned houses for no reason that anyone in the villages could tell. At one town, Lo Yuan, they pressed 1500 carrier women into their service in addition to those they had already abducted from the immediate Foochow vicinity.

Yet the villagers added to the intelligence reports, pointed out paths to the 80th Division that were unknown to the Japanese, and volunteered in some number for military service against these terrorists who had burned their homes and raped their women only the day before. The theory that it is possible to frighten the laopaihsing into submission did not work at all.

Four months later, Chinese troops, Chinese civilians, and a few scattered Americans were passing freely among armed Japanese officers and soldiers and, in fact, being given transportation facilities by them and being treated with every courtesy. Undoubtedly some of those Japanese were the same who withdrew from Foochow and Wenchow and through Kiangsi where reports of their activities corroborated everything I saw in Fukien.

Gendarmerie To Blame

Bridge House and similar institutions of studied torture are the responsibility of the Japanese Gendarmie, and again there is no doubt that the brutality of those places was deliberate. A prisoner was tortured in proportion to the information or money the Japanese hoped to get out of him. In the case of Italian seamen from the Conte Verdi who had refused to work, there was no torture other than ordinary Japanese prison treatment, for the Japanese were sure the Italians didn't know anything of value to them. In the case of Lieut. Harold Eifiers, pilot of a B-25 from Okinawa, the American was hung by the thumbs while he was asked repeatedly when he thought the American ground forces would land on the China Coast. J. B. Powell, Editor of the China Weekly Review, outspoken enemy of the Japanese militarists though he was, suffered more from the neglect of his captors than from their tortures, perhaps because they thought he didn't know any military secrets, or perhaps because they thought it would be impossible to make him divulge them.

They must have considered Commander Columbus D. Smith Commander of the gunboat, Wake, an enemy of some potency, yet they never tortured him at all, even though he was recaptured after making one effort to escape. Perhaps again, they realized torture would be useless. At any rate, he did escape from them again to render services to the United Nations that the Japanese undoubtedly would have gone to great lengths to forestall.

But there can be no serious consideration of a possible plea from the Japanese generals under trial that their men murdered and tortured without orders, or without the knowledge of their superiors. Not even a Japanese would believe that.

EVENTS

The UNRRA program of assistance to China will total nearly US$700,000,000 according to Herbert H. Lehman, UNRRA Director-General. Unless the countries of the United Nations give UNRRA new contributions asked for at London totaling US$1,800,000,000 however, UNRRA will have to liquidate with the minimum job only half completed, according to another statement by Assistant Secretary of State William Clayton. He said it was up to the U.S. to lead the way in granting an entirely new additional contribution.

Lehman revealed that the Soviet request for US$700,000,000 had been revised to US$250,000,000 worth of UNRRA aid, and limited to the White Russian and Ukrainian Republics.

Sikh policemen here are planning to return to India in the near future, K. P. S. Menon, Indian agent-general to China, announced last week. He added, however, that although the foreign concessions have been abolished, they will remain at their posts as long as their services are "deemed necessary by the Chinese."

Great Britain owns about US$3,500,000,000 worth of gold and securities in the United States, Assistant Treasury Secretary Harry White testified before the Senate Banking and Currency Committee.

The Canadian Pacific two-ocean merchant fleet will be re-established as soon as construction costs justify new tonnage, according to a company announcement. One fast cargo liner has already been launched in England and four others are on the ways. British Admiralty figures list 11 Canadian Pacific ships, totaling 193,000 tons, as lost by enemy action, including the 42,500 ton Empress of Britain.

A violent earthquake at Lanhsien, Shansi, at midnight on September 19, killed nearly 300 people and injured many more, according to reports reaching here.

Plans to set up a barter exchange system for the maximum interchange of commodities in international trade were announced in New York recently by Lauchlin Currie, president of International Development Co., and David E. Scholl, of International Commercial Trading Co.

The two affiliated companies plan to export American commodities, accepting payment in the monies of the purchasing countries. They plan to find outlets in America for goods produced abroad.

Mr. Currie was an administrative assistant to Presidents Roosevelt and Truman for six years prior to his resignation to head the new company.

A press dispatch last week reported that a mechanical cocoon reeler has been invented which promises to boost American silk production by allowing Texas labor to compete successfully with Japanese labor costs. The item has added significance since the announcement of the cutting down of large numbers of white mulberry trees in Japan to allow more acreage for food production.

Brushed in hot water to loosen the gum, which the silk worm uses to paste its fibre together, the loose outer end of the filament is started into the machine which pulls off five to fourteen of the filaments at one time. This, it is calculated, does more work than 50 or 60 Japanese laborers who unreel the cocoons by hand.

An ultimate production of about 112,500,000 pounds of silk per year is envisaged for the Texas silk belt.

Guarding The Health Of The Nation

Sine Laboratory,

founded in 1925, is recognized as one of China's foremost drug manufacturers. In its laboratories Sine has adopted the latest methods employed by European and American drug manufacturers.

Sine's staff consists of trained scientists and chemists. Sine workers are experienced and competent men in the trade of medicine making.

All pharmaceutical products manufactured by Sine are guaranteed to be of a high quality made from purest ingredients.

After years of research, Sine is now putting on the nearest several hundred items of medicines of all description, whose quality can well match the imported products.

信 SINE 誼

信誼化學製藥廠股份有限公司

The Sine Laboratory Co., Ltd.

NEWS OF THE WEEK

Gov't Backs Return Of U.S. Business Here

To Americans in China, cautiously groping their way about in the fog of unclarified policies, big news of the week was a clear-cut though not all-embracing statement by John Carter Vincent, director of the Office of Far Eastern Affairs. Said he:

America's policy in China is intended to encourage and facilitate the re-establishment of American business in this country;

Chinese and American businessmen can develop and expand their trade on a "non-discriminatory and mutually beneficial" basis. "For their sake and for China's sake, we want them back in China;"

American Marines were sent to North China to assist in demobilizing and repatriating Japanese troops, and they will be withdrawn as soon as this job is finished;

Economic reform—in the agrarian and taxation fields—is necessary to settle China's difficulties:

Prerequisites for China's industrialization are increased incomes for farmers, expanded transportation, sound currency. American capital, technical know-how can be made available for this purpose.

Seymour Sees More Trade With China

The first local statement on the position of British trade and business in China was made last week by newly-arrived British Ambassador to China, Sir Horace Seymour. Hopeful of friendly reciprocal trade relations between England and China in the future, Sir Horace didn't mince words when it came to the possibility of British lend-lease for China. "Great Britain is now the biggest debtor country in the world," he said, "and loans abroad are simply beyond our power."

He couldn't give any details on the re-establishment of British banks and businesses here, and whether any changes were planned in the status of Hongkong, though, he said, no negotiations on the latter have started as yet. No decisions, either, have been reached by the Chinese authorities on the reinstatement of former foreign S.M.C. employees. It is possible, he surmised, that an offer has been made by the Chinese government to the British Government regarding the nationalization of utility companies here, and an offer may be made for their purchase.

Shanghai Echo Of Nazi Atrocities

Echoes of the Buchenwald Camp-atrocities reverberated in Shanghai last week when Dr. Robert K. Neumann, former Nazi pathologist, was arrested on charges of having been connected with the "experiments" carried out by the Nazis in Germany. A graduate of Hamburg University and Nazi party member, the doctor disclaimed any connection with atrocities, claimed that he had been sent here to conduct "purely pathological experiments" with the heart and blood stream.

He had obtained patients from the Buchenwald camp physician, but had only worked on autopsies, he claimed. He also taught pathology to military doctors in Germany. Suspected of having arrived here by submarine, Dr. Neumann was vague in his answers during cross-examination. He had come via Siberia, he said, but couldn't remember the name of the ship that brought him here from Dairen. "It may have been Japanese," he said, "I only remember one other German passenger."

An attempt in August 1943 to quit the Nazi party was stymied by the German Consul-General here on grounds that it was a "national sacrifice for Germany and his profession."

"My roof was leaking," was his explanation of why he had wanted to quit.

Communists Sweep Elections In France

The trend to the left in Europe gained added impetus last week as a result of the general elections held in Paris. The Communist Party emerged the strongest single party in France, with more than a quarter of the votes in the new constituent assembly. By far the majority of the votes went to all three Left parties—the Communists, Socialists and Catholic Left. The aggregate strength of all parties outside the Leftist Three barely totalled a hundred, out of 586 seats. The election of General Charles de Gaulle was regarded a foregone conclusion.

Agreed on a large-scale program of economic and social reform, the Leftist Three diverge in opinions on foreign policy and the future constitution. De Gaulle favors a coalition of Catholics and Socialists, which will back a foreign policy of western cooperation, but the Socialists have committed themselves not to form a government excluding the Communists.

Thus formation of a stable majority may prove more difficult than appears at first glance, but on two points the French people have overwhelmingly supported General de Gaulle—in abandoning the 1875 constitution for a single chamber contituent assembly, and in granting this assembly limited powers for seven months while a new constitution is drafted.

Merger Of American Armed Forces Vital

The long-discussed merger of U.S. armed forces took another step forward last week. General H. H. Arnold, chief of the Army Air Forces, testifying before the Senate Military Affairs Committee stated:

"A merger....is necessary for the maintenance of world peace and America's security....The development of the atom bomb, V-2, rockets and suicide missions makes U.S. security in the future a problem of the air."

The merger, however, was opposed by several of America's military leaders, including General George W. Vandergrift, United States Marine Corps commander. Testifying before the Senate Military Affairs Committee, Vandergrift said that the wartime plan of joint chiefs of staff and other co-ordinating agencies would accomplish all that the merger proponents could claim for their legislative plans.

THE WING ON CO.

FEDERAL INC. U.S.A.

LEADING DEPARTMENT STORE IN SHANGHAI

Management of

SEVENTH HEAVEN CAFE

The Great Eastern Hotel

WITH DINING & TEA ROOMS

635 Nanking Road, Shanghai Tel. 98282

Reliable and Effective

For twenty years, the New Asiatic Chemical Works, Ltd. has been caring for the health of millions of people. There is a "Star Brand" product to relieve and to cure an ailment of any sort.

The New Asiatic Chemical Works, Ltd. manufactures hundreds of pharmaceutical products, including.

海力命	**HALIMIN**
寶青春	**BIOZYGEN**
胚生蒙	**PLACEMON**
仙法龍	**SULFAZON**
新亞青黴素	**SINO-PENICILLIN**

TRADE **MARK**

For further particulars
apply to

上海新亞藥廠

THE NEW ASIATIC CHEMICAL WORKS, LTD.

1044 Sinza Road, Shanghai Telephone 39800

World-Wide Wireless

"Via CGRA"

FAST
ACCURATE
& RELIABLE SERVICE

●

Chinese Government Radio Administration

70 FOOCHOW ROAD **TELEPHONE 11490**

SOLE AGENCY
MODERN AGE BOOKSTORE
TEL. 90810

中華郵政特准掛號認爲新聞紙類

Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China